

# Statutory report

Statutory Report on the  
Recommendations on  
Corporate Governance 2021 ref.  
section 107 b of the Danish  
Financial Statements Act

February 16, 2023

# Introduction/conclusion

In the below table SimCorp has provided its view upon how SimCorp meets the December 2020 Recommendations made by the Danish Committee on Corporate Governance.

The reader should note that SimCorp's reasons for compliance/non-compliance are mainly text sections copied directly from SimCorp's Corporate Governance Guidelines. To the extent that the reasons for compliance/non-compliance cannot be derived directly from SimCorp's Corporate Governance Guidelines, the reasons are stated in italics.

**Report regarding January 1, 2022 -  
December 31, 2022**

Recommendation	Comply	Not comply	The company complies
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## 1. Interaction with the company's shareholders, investors and other stakeholders

### 1.1. Communication with the company's shareholders, investors and other stakeholders

1.1.1. The Committee recommends that the management through ongoing dialogue and interaction ensures that shareholders, investors and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.

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#### 2.1. Shareholders

The company's management must maintain an ongoing dialogue with the company's shareholders. All shareholders must be given equal access to information and equal opportunities to express their views on e.g. the company's activities and its strategic and commercial development. The company must from time to time evaluate how the communication between the company and its shareholders can be improved. Article 21 of the articles of association allows SimCorp to apply increased means of electronic communication between SimCorp and its shareholders.

The company's management is responsible for carrying on this dialogue at the company's general meetings and at other meetings with shareholders, such as those in connection with the publication of the company's interim financial reports.

#### 2.9. Other stakeholders

In addition to dialogue with the stakeholders mentioned already, the company's management shall consider a dialogue with other relevant stakeholders including representatives of the shareholders' proxy advisors. SimCorp has a diverse and international ownership that require an ongoing dialog with proxy advisors to support the ongoing dialogue with its shareholders.

#### 9.1. Communication Policy

The Board of Directors shall ensure that SimCorp has an information and communication policy that ensures that the company's stakeholders receive relevant, timely, accurate and full information on the company's activities to the extent such disclosure would not be detrimental to the company's current or future competitive position.

As part of the Company's communication policy, the Board of Directors shall ensure that an Investor Relations Policy is drafted to ensure that all material information of importance for the shareholders', their proxy advisors, and the equity market's evaluation of the company, its activities and business targets, strategies and results are published without undue delay.

Publication shall take place in a reliable and adequate manner through channels that ensure equal access to such information for everybody. The Investor Relations Policy shall provide for the dialogue with the equity market being conducted on a professional basis in accordance with legislation and stock exchange codes of ethics, and so that it promotes the company's reputation as an open and trustworthy organization,

A member of the Board of Directors may not without the permission of the Chair make any statement to the media or approach the public concerning the company's affairs. To ensure openness and transparency the Board of Directors shall lay down an information and communications policy for the company that establishes the exact guidelines for communication with the employees, shareholders and the public regarding the company's affairs.

*It is standard practice in SimCorp that all information is provided in English and a summary of the Annual Report is provided in the Danish language.*

Recommendation	Comply	Not comply	The company complies
1.1.2. The Committee recommends that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.	x		<p><b>2. SimCorp's relationship with its stakeholders</b> A fundamental element of SimCorp's objective of long-term value creation is to secure a good, constructive, and durable relationship with all the company's stakeholders: shareholders, the equity market, clients, employees, suppliers, the community, and other stakeholders like proxy advisors.</p> <p>SimCorp's relationship with its stakeholders is based on the company's mission, corporate vision, and basic values as defined by the Board of Directors.</p> <p><b>2.2. The equity market</b> The Board of Directors shall be responsible for preparing and making SimCorp's <u>Investor Relations Policy</u> available to the public cf. Section 9.1.</p>
1.1.3. The Committee recommends that the company publish quarterly reports.	x		SimCorp publishes quarterly reports.
<b>1.2. The general meeting</b>			
1.2.1. The Committee recommends that the board of directors organises the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.	x		<p><b>3. The General Meeting</b> SimCorp generally encourages its shareholders to use their influence as shareholders by:</p> <ul style="list-style-type: none"> <li>• registering as shareholders in SimCorp's register of shareholders,</li> <li>• attending the annual general meeting by requesting admission card and ballot paper or</li> <li>• attending the annual general meeting through webcast, or</li> <li>• submitting the proxy or postal voting form either online via → <a href="http://www.simcorp.com">www.simcorp.com</a> or by post or authorize the Board of Directors to vote on the shareholders' behalf.</li> </ul> <p>Additionally, SimCorp encourages its shareholders to use their influence by submitting questions to the company management prior to or during the general meeting.</p> <p><b>3. The General Meeting</b> The Board of Directors shall ensure that SimCorp regularly monitors and considers implementing best practice among Danish and foreign listed companies with regard to organizing and conducting general meetings of shareholders.</p>
1.2.2. The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	x		<i>This is standard practice in SimCorp. Shareholders are provided proxies together with the notice of the general meeting which allows shareholders to consider each individual item on the agenda.</i>
<b>1.3. Takeover bids</b>			
1.3.1. The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the shareholders from deciding on the takeover bid, without the approval of the general meeting.	x		<p><b>4.1. The Overall Tasks and Responsibilities of the Board of Directors</b> The Board of Directors must make an objective assessment of any third party bid to take over the company and ensure that the shareholders are given the opportunity to make an independent decision based on the Board's recommendation.</p> <p>Furthermore, the Board of Directors must assess and, if appropriate, decide whether it is in the interests of SimCorp that the company should, on its own initiative, open negotiations for the transfer of parts of or all of the company to a third party.</p> <p>The board of directors has adopted a takeover manual which is updated on an annual basis.</p>

Recommendation	Comply	Not comply	The company complies
<b>1.4. Corporate Social Responsibility</b>			
<p>1.4.1. The Committee recommends that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. The Committee recommends that the board of directors ensures compliance with the policy.</p>	x		<p><b>2.7. Corporate Social Responsibility</b>  SimCorp's commitment to a sustainable development of its business is based on combining financial performance with socially responsible behavior and environmental awareness. We are a signatory to the UN Global Compact and strive to integrate its Ten Principles into our business strategy, culture and operations. Sustainability is an integrated part of SimCorp's business, and we believe that our employees and who we are as a company enable us to make a positive contribution to the world, just as we take responsibility for reducing the negative impact of our operations. While we believe that everything counts, we want to direct our efforts towards those areas where we have the biggest impact.</p> <p>SimCorp is committed to conducting business in a responsible, ethical, and transparent manner, and to meeting stakeholders' expectations of high business integrity standards across our operations and comply with international agreements and universal values.</p> <p>Equally, we expect all our existing and potential clients to share our standards for sound and responsible behavior and trust them to operate in a legal and ethical manner in accordance with our Code of Conduct for Suppliers. The full wording of SimCorp's corporate social responsibility principles is found in the <a href="#">Sustainability Policy</a> published on the company's website under</p> <p><i>SimCorp's progress on corporate social responsibility is included in its Sustainability Report cf. Section 99a of the Danish Financial Statements Act.</i></p>
<p>1.4.2. The Committee recommends that the board of directors adopts a tax policy to be made available on the company's website.</p>	x		<p><b>10. Tax Policy</b>  The Board of Directors shall ensure that SimCorp's <a href="#">Tax Policy</a> supports the company's ambition to apply best practices and act in accordance with applicable legislation on tax computation and tax reporting, to ensure that we pay the right amount of tax at the right time in the locations where we operate.</p> <p>The policy shall be aligned with the Group's core values and our commitment to corporate sustainable development, which is based on combining financial performance with socially responsible behaviour and environmental awareness. As part of our commitment to the UN Sustainable Development Goals, the tax policy supports in particular target 16.6 on the development of effective, accountable, and transparent institutions.</p> <p>SimCorp's <a href="#">Tax Policy</a> is reviewed annually and published on the company's website.</p>

Recommendation	Comply	Not comply	The company complies
<b>2. The duties and responsibilities of the board of directors</b>			
<b>2.1. Overall tasks and responsibilities</b>			
2.1.1. The Committee recommends that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.	x		<p><b>4.1. The Overall Tasks and Responsibilities of the Board of Directors</b></p> <p>The Board of Directors is responsible for the company's overall management and for the development of the long-term strategy of the company. In support of the company's statutory objective and long-term value creation, the Board of Directors shall consider the Company's purpose to be pursued on a daily basis through good culture and sound values. Further, the Board of Directors shall ensure that the company remains organized in an adequate and sound manner with a view to inter alia ensuring the long-term value creation to the benefit of the company and its shareholders. The most important tasks of the Board of Directors are to:</p> <ul style="list-style-type: none"> <li>• Once a year review SimCorp's mission, corporate vision, and basic values.</li> <li>• Define the company's overall objectives, targets, and strategies. Once a year the Board shall follow up on and decide on new overall objectives, targets, and strategies for the future development of the company.</li> </ul>
2.1.2. The Committee recommends that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.	x		<p><b>4.1. The Overall Tasks and Responsibilities of the Board of Directors</b></p> <p>The Board of Directors is responsible for the company's overall management and for the development of the long-term strategy of the company. In support of the company's statutory objective and long-term value creation, the Board of Directors shall consider the Company's purpose to be pursued on a daily basis through good culture and sound values. Further, the Board of Directors shall ensure that the company remains organized in an adequate and sound manner with a view to inter alia ensuring the long-term value creation to the benefit of the company and its shareholders. The most important tasks of the Board of Directors are to:</p> <ul style="list-style-type: none"> <li>• Once a year review SimCorp's mission, corporate vision, and basic values.</li> <li>• Define the company's overall objectives, targets, and strategies. Once a year the Board shall follow up on and decide on new overall objectives, targets, and strategies for the future development of the company.</li> </ul>
2.1.3. The Committee recommends that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. The Committee recommends that the company gives an account thereof in the management commentary.	x		<p>The Board of Directors is responsible for the company's overall management and for the development of the long-term strategy of the company. In support of the company's statutory objective and long-term value creation, the Board of Directors shall consider the Company's purpose to be pursued on a daily basis through good culture and sound values. Further, the Board of Directors shall ensure that the company remains organized in an adequate and sound manner with a view to inter alia ensuring the long-term value creation to the benefit of the company and its shareholders. The most important tasks of the Board of Directors are to</p> <ul style="list-style-type: none"> <li>• On a regular basis and at least once annually assess whether the company's capital structure and resources are appropriate and whether the company has sufficient liquidity to be able to reach its strategic goals and to fulfil its current and future obligations when falling due, as well as ensure the company's long-term value creation.</li> </ul>

Recommendation	Comply	Not comply	The company complies
2.1.4. The Committee recommends that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.	x		<p><b>6.2. Tasks and responsibilities of the Executive Management Board</b></p> <p>A description of the Executive Management Board's tasks and responsibilities shall be made. The description shall among other things lay down procedures for the Executive Management Board's reporting to the Board of Directors, for the communication between the two boards, and for the evaluation of the Executive Management Board's work.</p> <p>The Board of Directors must ensure that it regularly receives such information on the company's activities as the Board of Directors requires. The Executive Management Board shall, however, ensure that material information is submitted to the Board of Directors, whether or not the Board of Directors has requested such information.</p>
<b>2.2. Members of the board of directors</b>			
2.2.1. The Committee recommends that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.	x		<p><i>According to clause 15 of the Articles of Association the Vice-Chair is elected directly at the General Meeting.</i></p> <p><b>Rules of Procedures for the Board of Directors</b></p> <p><b>2. Tasks and Responsibilities of the Chair and the Vice-Chair</b></p> <p>In the Chair's absence, the Vice-Chair shall act in the place of the Chair.</p>
2.2.2. The Committee recommends that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.			<p><b>4.4. The Qualifications of the Board of Directors</b></p> <p>The Chair carries out regular meetings with each of the individual members of the Board of Directors with a view to ensure (i) that each member continues to bring the necessary knowledge and skills to the Board and (i) the most efficient use of such knowledge and qualifications at the Board of Directors and the Committees.</p>
2.2.3. The Committee recommends that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.	x		<p><b>Rules of Procedures for the Board of Directors</b></p> <p><b>2. Tasks and Responsibilities of the Chair and the Vice-Chair</b></p> <p>Neither the Chair nor the Vice-Chair, or any other member of the Board of Directors, may carry out for the company such assignments which are not usually part of his function, apart from such specific assignments as he is requested to accept by and on behalf of the Board of Directors. Delegation of specific assignments shall be published on the company's website.</p>

Recommendation	Comply	Not comply	The company complies
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### 3. The composition, organisation and evaluation of the board of directors

#### 3.1. Composition

3.1.1. The Committee recommends that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states

- which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and
- the composition of and diversity on the board of directors.

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#### 4.4. The Qualifications of the Board of Directors

When nominating candidates for election to the Board by the shareholders, the Board of Directors shall, in addition to the general guidelines set out in section 4.2, seek to ensure that the candidates between them represent the required knowledge of the industry, and the required business and financial competencies, to act as an efficient, visionary and result-oriented dialogue partner for the company's Executive Management Board.

The competences, experience and knowledge to be possessed by the Board members between them to best perform their tasks are;

- Knowledge about general management, including competencies within strategy development
- Knowledge about sales, marketing and communicating with clients, including distribution concepts within software applications
- Knowledge about capital market conditions and insight into strategic thinking within asset management and related areas
- Knowledge about IT/technology particularly with regard to product development of software applications
- Knowledge about operations and finance particularly with regard to conditions related to foreign subsidiaries
- Knowledge about HR management in a company with highly educated and skilled employees
- Experience in further developing an international public listed growth company
- Special insight into accounting and auditing (cf. EU's 8. directive)
- Experience in going through with M&A and establishing partnerships of a considerable size
- Knowledge of the business in which SimCorp operates
- Knowledge about corporate governance and management systems in an international organization
- Knowledge about handling IR and other owner-relations in a public listed company

#### 2.8. Diversity

SimCorp's objective is that the Board of Directors and the Executive Management Board represent different nationalities, educational backgrounds, and gender.

*SimCorp's Annual Report and Sustainability Report contain information on the composition of the Board of Directors, including its diversity, nationalities and of any special skills possessed by the individual members.*



Recommendation	Comply	Not comply	The company complies
<p>3.1.2. The Committee recommends that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.</p>	x		<p><b>2.8. Diversity</b> The Board of Directors will once a year as part of the organizational review assess SimCorp's specific goals for diversity at management levels in the organization and the follow-up by SimCorp on such goals. SimCorp's <a href="#">Diversity, Equity and Inclusion Policy</a> is published on the company's website.</p> <p><b>Diversity, Equity and Inclusion Policy</b> <b>7. Monitoring and reporting</b> The three diversity dimensions we report on globally are age, gender, and nationality, and we encourage local initiatives that incorporate other diversity dimensions where relevant. We proactively engage in internal dialogues to continually learn from best practices in the organization. By tracking and monitoring data frequently, we are able to not only measure progress, but also make data-driven decisions in relation to new and ongoing DEI-related activities.</p> <p>Our progress related to diversity, equity, and inclusion is published annually both in SimCorp's publicly available Sustainability Report and Annual Report. While we externally publish statistics and achievements in these annual reports, we also actively share diversity, equity, and inclusion data voluntarily and by request. This allows us to benchmark ourselves against other organizations, incorporate business-driven initiatives, and continually improve in the DEI space.</p>
<p>3.1.3. The committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of directors – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.</p>	x		<p><b>4.2. The Composition of the Board of Directors</b> At each general meeting the retiring board shall nominate candidates for the vacant offices on the Board so as to ensure that the shareholders are able to elect a continuing board that can act independently of the Executive Management Board and of special interests, and that represent a balance between continuity and innovation.</p>
<p>3.1.4. The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the agenda - in addition to the statutory items - also includes a description of the proposed candidates'</p> <ul style="list-style-type: none"> <li>• qualifications,</li> <li>• other managerial duties in commercial undertakings, including board committees,</li> <li>• demanding organisational assignments and</li> <li>• independence.</li> </ul>	x		<p><b>4.2. The Composition of the Board of Directors</b> The notice of the general meeting shall include a description of the nominated candidates' qualifications, including information about other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, held by the candidates in both Danish and foreign companies as well as information on demanding organizational tasks. In addition, it will be stated if the individual candidate is considered independent.</p>
<p>3.1.5. The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.</p>	x		<p><i>Cf. article 15 of the company's articles of association pursuant to which the Company shall be managed by a Board of Directors consisting of from four to eight members including a Chair and a Vice-Chair elected by the shareholders at the General Meeting for terms of one year.</i></p>

Recommendation	Comply	Not comply	The company complies
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### 3.2. The board of director's independence

3.2.1. The Committee recommends that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.

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In order to be independent, the member in question may not:

- be or within the past five years have been a member of the executive management or an executive employee in the company, a subsidiary or a group company,
- within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors,
- represent or be associated with a controlling shareholder,
- within the past year have had a business relationship (e.g. personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship,
- be or within the past three years have been employed with or a partner in the same company as the company's auditor elected in general meeting,
- be a CEO in a company with cross-memberships in the company's management,
- have been a member of the board of directors for more than twelve years, or
- be closely related to persons, who are not independent, cf. the above-stated criteria.

Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.

### 4.2. The Composition of the Board of Directors

The Board of Directors shall ensure that the nominees meet the following criteria: The nominees must not:

- be professional consultants to SimCorp or be employed by or have a financial interest in any company that acts as professional consultants to SimCorp;
- have a material strategic interest in the company other than that of a shareholder;
- be members of SimCorp's Executive Management Board or have been within the last five years, a member of the Executive Management Board or managerial staff of SimCorp or an associated company;
- be, or have been within the last three years, an employee or partner of SimCorp's external audit firm;
- hold cross-memberships of governing bodies;
- have been a member of the Board of Directors for more than 12 years; or
- have close family ties with persons that are not regarded as independent persons in SimCorp.

### 4.6. Self-assessment

Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.

Recommendation	Comply	Not comply	The company complies
<p>3.2.2. The Committee recommends that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.</p>	x		<p><b>4.2. The Composition of the Board of Directors</b> The Board of Directors shall ensure that the nominees meet the following criteria: The nominees must not:</p> <ul style="list-style-type: none"> <li>• be professional consultants to SimCorp or be employed by or have a financial interest in any company that acts as professional consultants to SimCorp;</li> <li>• have a material strategic interest in the company other than that of a shareholder;</li> <li>• be members of SimCorp's Executive Management Board or have been within the last five years, a member of the Executive Management Board or managerial staff of SimCorp or an associated company;</li> <li>• be, or have been within the last three years, an employee or partner of SimCorp's external audit firm;</li> <li>• hold cross-memberships of governing bodies;</li> <li>• have been a member of the Board of Directors for more than 12 years; or</li> <li>• have close family ties with persons that are not regarded as independent persons in SimCorp</li> </ul>
<p><b>3.3. Members of the board of directors and the number of other managerial duties</b></p>			
<p>3.3.1. The Committee recommends that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf. recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.</p>	x		<p><i>The Board of Directors and each member of the Board of Directors confirms upon their signature to the annual report that the Board of Directors and such individual member has done this assessment and that it is able to meet the time commitment given its other executive functions.</i></p>
<p>3.3.2. The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors:</p> <ul style="list-style-type: none"> <li>• position, age and gender,</li> <li>• competencies and qualifications relevant to the company,</li> <li>• independence,</li> <li>• year of joining the board of directors,</li> <li>• year of expiry of the current election period,</li> <li>• participation in meetings of the board of directors and committee meetings,</li> <li>• managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and</li> <li>• the number of shares, options, warrants, etc. that the member holds in the company and its group companies and any changes in such holdings during the financial year.</li> </ul>	x		<p><i>The management commentary contains information about when the individual member joined the Board of Directors, whether the member was re-elected and when the current election period expires. In addition the management commentary includes information about the member's position, age and gender, relevant competencies and qualifications, participation in meetings, other executive functions, e.g. memberships of executive boards, boards of directors and supervisory boards, including board committees, foreign enterprises, demanding organizational tasks, and the number of shares, options, warrants and similar in the company, and other group companies of the company, owned by the member, as well as changes in the portfolio of the member of the securities mentioned which have occurred during the financial year.</i></p>

Recommendation	Comply	Not comply	The company complies
<b>3.4. Board committees</b>			
<p>3.4.1. The Committee recommends that the management describes in the management commentary:</p> <ul style="list-style-type: none"> <li>• the board committees' most significant activities and number of meetings in the past year, and</li> <li>• the members on the individual board committees, including the chairperson and the independence of the members of the committee in question.</li> </ul> <p>In addition, it is recommended that the board committees' terms of reference are published on the company's website.</p>	x	<p><b>4.3. Use of board committees</b></p> <p>The Board of Directors may set up a permanent, separate committee as well as committees for special purposes. SimCorp shall ensure transparency about any board committees by disclosing information on:</p> <ul style="list-style-type: none"> <li>• the terms of reference for the board committees,</li> <li>• important activities of the committees during the year and the number of meetings held by each committee, and</li> <li>• the names of the members of each committee, including the Chairs of the committees, as well as information on which members are independent members and which members have special qualifications.</li> </ul> <p>SimCorp has established an Audit and Risk Committee, a Nomination and Remuneration Committee and a Technology Committee. Besides these committees SimCorp does not have any separate, permanent board committees.</p>	
<p>3.4.2. The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board committees are independent.</p>	x	<p><b>Terms of Reference for the Audit and Risk Committee, the Nomination and Remuneration Committee and the Technology Committee</b></p> <p>Currently the majority of the members of these committees are independent board members.</p>	
<p>3.4.3. The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:</p> <ul style="list-style-type: none"> <li>• supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions,</li> <li>• reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook,</li> <li>• reviewing the auditor fee for the auditor elected by the general meeting,</li> <li>• supervising the scope of the non-audit services performed by the auditor elected by the general meeting, and,</li> <li>• ensuring regular interaction between the auditor elected by the general meeting and the board of directors, for instance, that the board of directors and the audit committee at least once a year meet with the auditor without the executive management being present.</li> </ul>	x	<p><b>Terms of Reference for the Audit and Risk Committee</b></p> <p><b>5.1. Chair</b></p> <p>The Board appoints the Chair of the committee who cannot simultaneously act as Chair of the Board of Directors.</p> <p><b>Terms of Reference for the Audit and Risk Committee</b></p> <p><b>4.1. Financial Reporting</b></p> <p>The Committee will monitor the Executive Management Board's recommendations in respect of financial reporting, and recommend to the Board:</p> <ul style="list-style-type: none"> <li>• SimCorp's quarterly and annual reports and accounts;</li> <li>• Any significant changes in SimCorp's accounting policies and practices; and</li> <li>• Changes in any significant treasury arrangements and their impact on SimCorp.</li> </ul> <p><b>4.2. Financial Control Environment / Financial Risk (including market, credit and liquidity risk)</b></p> <p>The Committee will:</p> <ul style="list-style-type: none"> <li>• Monitor the Executive Management Board's maintenance of an effective system of internal financial control, including notifying the Board of financial control deficiencies or other issues;</li> <li>• Monitor and advise the Board on the management of key financial risks, including reviewing reports for material breaches of risk tolerances and material audit findings, and the adequacy of proposed actions;</li> <li>• Monitor scenarios and stress tests to assess the adequacy of capital and liquidity;</li> <li>• Monitor the financial controls in place to ensure investments are being managed in line with the authority principles and that all investments are analysed and treated in an appropriate manner;</li> <li>• Monitor the level of exposure to credit risk.</li> </ul>	

Recommendation	Comply	Not comply	The company complies
<p>If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:</p> <ul style="list-style-type: none"> <li>• prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department,</li> <li>• ensure that the internal audit function has sufficient resources and competencies to perform its role, and</li> <li>• supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function.</li> </ul>			<p><b>4.6. Enterprise Risk Management</b> The Committee will Provide advice to the Board in relation to SimCorp's overall risk appetite for each of the categories of principal risk to which SimCorp may be exposed to including by providing oversight and advise the Board on the current risk exposures of SimCorp, enterprise management of risk, and review and submission for Board approval the risk strategy, policies and procedures of SimCorp.</p> <p><b>4.6. Other matters</b> The Committee will:</p> <ul style="list-style-type: none"> <li>• Monitor related party transactions</li> </ul> <p><b>Terms of Reference for the Audit and Risk Committee</b></p> <p><b>4.3. Internal Audit</b> The Committee will:</p> <ul style="list-style-type: none"> <li>• Assess the need for establishing a separate Internal Audit function for SimCorp to ensure audit activities support the risk profile of SimCorp Group and provide recommendations to the Board should additional audit function be required.</li> </ul> <p><i>Presently, SimCorp has decided not to have an internal audit function and the Audit and Risk Committee will continue to assess the need for establishing an internal audit function. In case SimCorp decides to have an internal audit function, the Audit and Risk Committee will comply with the recommendations for such internal audit function.</i></p> <p><b>Terms of Reference for the Audit and Risk Committee</b></p> <p><b>4.4. External audit</b> The Committee will:</p> <ul style="list-style-type: none"> <li>• Monitor and control the external auditor's independence and objectivity, and the effectiveness of the audit process;</li> <li>• Monitor compliance with the guidance for pre- approval of non-audit services (NAS);</li> <li>• Make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor;</li> <li>• Make recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor</li> <li>• Review the terms of engagement of the external auditor, including any engagement letter, and recommend to the Board the content of the agreement with the external auditor;</li> <li>• Review the annual audit plan, including materiality level, identified risks, scoping, timing of the audit and staffing;</li> <li>• Review any representation letter(s) requested by the external auditor before they are signed by the Executive Management Board;</li> <li>• Review the management letter and the Executive Management Board's response to the auditor's findings and recommendations;</li> <li>• Monitor and discuss the statutory audit of the annual financial statements, taking into account any findings from the most recent quality control of the external auditor;</li> <li>• Review the external auditor's draft long-form audit report to the Board, the Executive Management Board's responses and the resolution of any issues including any open points from prior years; and</li> <li>• Meet the external auditor at least annually without the Executive Management Board being present and discuss the auditor's remit and any issues arising from audits.</li> </ul>

Recommendation	Comply	Not comply	The company complies
<p>3.4.4. The Committee recommends that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies,</li> <li>• on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes,</li> <li>• in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors,</li> <li>• handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval,</li> <li>• ensuring that a succession plan for the executive management is in place,</li> <li>• supervising executive managements' policy for the engagement of executive employees, and</li> <li>• supervising the preparation of a diversity policy for the board of directors' approval.</li> </ul>	x		<p><b>Terms of Reference for the Nomination and Remuneration Committee</b></p> <p><i>1. Preamble and purpose</i></p> <p>The SimCorp Nomination and Remuneration Committee (the "Committee") has been established by the SimCorp A/S Board of Directors (the "Board") to assist the Board with the oversight of:</p> <p><i>1.1. Nomination matters, which include:</i></p> <ul style="list-style-type: none"> <li>a. The competence profile and composition of the Board</li> <li>b. Nomination of members of the Board</li> <li>c. Nomination of members of Board committees</li> <li>d. Succession plan for Group Management Committee</li> <li>e. Other tasks</li> </ul>
<p>3.4.5. The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> <li>• preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting,</li> <li>• providing a proposal to the board of directors on the remuneration of the members of the executive management,</li> <li>• providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting,</li> <li>• ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and</li> <li>• assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote.</li> </ul>	x		<p><b>Terms of Reference for the Nomination and Remuneration Committee</b></p> <p><i>1. Preamble and purpose</i></p> <p>The SimCorp Nomination and Remuneration Committee (the "Committee") has been established by the SimCorp A/S Board of Directors (the "Board") to assist the Board with the oversight of:</p> <p><i>1.2. Remuneration matters, which include</i></p> <ul style="list-style-type: none"> <li>a. The remuneration of the Board of Directors</li> <li>b. The remuneration of Group Management Committee</li> <li>c. The Remuneration Policy</li> <li>d. Restricted Stock Units pool and allocations</li> <li>e. Other tasks</li> </ul>

Recommendation	Comply	Not comply	The company complies
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### 3.5. Evaluation of the board of directors and the executive management

3.5.1. The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:

- the composition of the board of directors with focus on competencies and diversity
- the board of directors and the individual member's contribution and results,
- the cooperation on the board of directors and between the board of directors and the executive management,
- the chairperson's leadership of the board of directors,
- the committee structure and the work in the committees,
- the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and
- the board members' preparation for and active participation in the meetings of the board of directors.

x

#### 4.6. Self-assessment

The Board of Directors must once a year carry out a self-assessment procedure that systematically evaluates the composition of the Board as well as the results and work of the Board of Directors, the Chair, and the individual Board members. At least every third year, the Board of Directors shall obtain external assistance for the evaluation process. The assessment shall include, as a minimum,

- The extent to which strategic goals and plans have been achieved
- The quality and efficiency of the Board's work
- The contributions to the Board's work and results made by the individual Board members
- The cooperation in the Board
- The composition of the Board in relation to competencies and experiences of the Board's members seen in relation to the identified ideal competence profile including identification of skills and expertise of its members that need to be updated (including diversity and number of members),
- The total number of management functions for each Board member in relation to the number, level and complexity of such individual management functions
- The Chair's leadership of the Board of Directors,
- The work in the committees and the committee structure, and
- The organization and quality of the material that is submitted to the Board of Directors
- The Board members' preparation for and active participation in the meetings of the Board of Directors.

Even if a member of the board of directors is not covered by the above criteria, certain conditions may exist that will lead the board of directors to decide that one or more members cannot be regarded as independent.

As an integrated part of the above assessment the Board of Directors and the Executive Management Board shall once a year make a joint assessment of the co-operation between the two Boards.

#### 4.7. External reporting and the Board's work

In its management commentary, SimCorp shall disclose information on the Board's work during the past year. Such disclosure shall include, inter alia:

- Meetings held by the Board of Directors
- Adoption or updating of important procedures and instructions
- The Board's assessment of the appropriateness of the company's capital structure and resources

The procedure used by the Board of Directors for its self-assessment and the outcome hereof shall be described in the management commentary, on the company's website, and at the general meeting

Recommendation	Comply	Not comply	The company complies
<p>3.5.2. The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.</p>	x		<p><b>4.6. Self-assessment</b> The results of the assessment shall be discussed at a Board meeting. The Chair is responsible for carrying out the assessment provided, however, that the Vice-Chair shall be responsible for carrying out the assessment of the Chair, and the results shall be discussed by the entire Board of Directors and the Executive Management Board.</p> <p><b>4.7. External reporting and the Board's work</b> In its management commentary, SimCorp shall disclose information on the Board's work during the past year. Such disclosure shall include, inter alia:</p> <ul style="list-style-type: none"> <li>• Meetings held by the Board of Directors</li> <li>• Adoption or updating of important procedures and instructions</li> <li>• The Board's assessment of the appropriateness of the company's capital structure and resources</li> </ul> <p>The procedure used by the Board of Directors for its self-assessment and the outcome hereof shall described in the management commentary, on the company's website, and at the general Meeting.</p>
<p>3.5.3. The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.</p>	x		<p><b>6.4. Evaluation</b> The Board of Directors shall set up a procedure for an annual evaluation of the work and results of the Executive Management Board in accordance with specific criteria defined in advance. The Board of Directors shall also on a continuous basis assess the individual Executive Management Board members and the need for changes to the structure and composition of the Executive Management Board in respect of diversity, succession planning and risks, in light of the company's strategy.</p>
<b>4. Remuneration of management</b>			
<b>4.1. Remuneration of the board of directors and the executive management</b>			
<p>4.1.1. The Committee recommends that the remuneration for the board of directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.</p>	x		<p><b>Remuneration Policy</b> <i>Adoption process</i> The Remuneration Policy is a key part of the Nomination and Remuneration Committee's tasks and are revised as needed to ensure consistency between the remuneration for management, the company's long-term goals and shareholders' interests. In addition, the Remuneration Policy is revised to ensure that the company can attract, retain and motivate qualified individuals in the market in which the company competes for executive talent.</p> <p>Please refer to the <a href="#">Remuneration Policy</a></p>
<p>4.1.2. The Committee recommends that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.</p>	x		<p>Please refer to the <a href="#">Remuneration Policy</a> for the Board of Directors, Executive Management and Employees.</p>



Recommendation	Comply	Not comply	The company complies
4.1.3. The Committee recommends that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.	x		Please refer to the <a href="#">Remuneration Policy</a>
4.1.4. The Committee recommends that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.		x	<i>For one existing executive services agreements, the total severance pay during the notice period exceeds the recommended two years' remuneration in the event of change of ownership as severance payments is up to 9 months and notice period is extended to 36 months. The recommendations on severance pay has been followed for recent executive services agreements and is now standard practice in future agreements.</i>
4.1.5. The Committee recommends that members of the board of directors are not remunerated with share options and warrants.	x		<p>Please refer to the <a href="#">Remuneration Policy</a> for the Board of Directors, Executive Management and Employees.</p> <p><i>One third of the total remuneration to the Board of Directors is converted into a number of SimCorp shares by applying an average share price. The applied average share price for SimCorp shares is defined as the average share price in the 3-day-period following the release of the annual report. The calculated numbers of shares are transferred to the Board members' custody accounts once annually in arrears. The cash compensation is paid on a quarterly basis.</i></p> <p><b>Conversion into SimCorp shares</b>  Instead of receiving the one third of the total base remuneration in SimCorp shares, board and committee members with residence outside of Denmark may choose to receive a cash payment instead. Such cash payment shall be invested in SimCorp shares and the requirement to hold the shares applies as set out [above]</p>
4.1.6. The Committee recommends that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.		x	<p><b>Claw back provision</b>  Remuneration agreements for the Executive Management Board include a right for SimCorp to demand full or partial repayment of variable components (STIP and LTIP), which have been paid out based on information which the company afterwards documents are materially incorrect, or as a result of fraud or material non-compliance with the accounting principles which the company is subject to. Claw back in relation to the STIP is possible for a period of up to 24 months after the actual payment of the cash based incentive. Claw back in relation to the LTIP is possible for a period of up to 12 months after the release of the shares to the Executive Management Board (i.e. up to four years after the grant date).</p>

Recommendation	Comply	Not comply	The company complies
<b>5. Risk management</b>			
<b>5.1. Identification of risks and openness in respect of additional information</b>			
<p>5.1.1. The Committee recommends that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.</p>	x	<p><b>8.1. Risk Management Procedures</b> The Board of Directors is responsible for ensuring that SimCorp has appropriate and adequate procedures in place to monitor, measure and manage the company's risks, and that such procedures are firmly embedded throughout the company's organization. The Board of Directors shall once a year assess the company's risk exposure, and review systems and procedures for risk monitoring and reporting, and the company's insurance coverage. This assessment shall ensure that the company inter alia:</p> <ul style="list-style-type: none"> <li>• Develops and maintains an understanding throughout the organization of the company's strategic and operational goals, and identifies critical success factors for achieving such goals.</li> <li>• Analyses the risk and consequences of the company's failure to achieve the strategic and operational goals.</li> <li>• Analyses the company's most important business activities with a view to identifying related risks, including accounting and liquidity risks.</li> </ul> <p>In connection with the risk assessment, the Board of Directors shall define the company's willingness to accept risk and evaluate the company's risk management, including insurance, currency, and investment policies. The risk management policy shall define the company's risks and specify methods to monitor, eliminate, control, or hedge risk. Finally, the risk management policy shall define the extent to which the company's independent auditors should contribute to assessing the company's material risks and risk management measures.</p>	
<p>5.1.2. The Committee recommends that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.</p>		<p><b>8.2. Whistleblower Policy</b> SimCorp has established a whistleblower system as a means of increasing focus on transparency. The whistleblower system allows employees, management, members of the Board of Directors of SimCorp and other stakeholders of SimCorp (such as supplier representatives, clients or SimCorp shareholders) who believe they have become aware of actions or omissions that could damage SimCorp whether financially, reputationally or in some other way to pass on this information to a whistleblower e-mail account which can be found at → <a href="https://www2.simcorp.com/whistleblownetwork">https://www2.simcorp.com/whistleblownetwork</a></p> <p>The Board of Directors will appoint two representatives (currently the Chair of the Audit and Risk Committee and an independent member of the Board) of SimCorp to act as gatekeepers in respect of the whistleblower account. The Board of Directors is responsible for appointing a representative who possesses the professional qualifications and integrity in order to provide for a credible and independent administration of the <u>Whistleblower Policy</u>.</p> <p>Any information received via the whistleblower system and which by the gatekeeper is not considered clearly un-founded may be passed on to the CEO and the Chair of the Board of Directors who will then consider the appropriate measures. Reports and questions that are received via the whistleblower system are treated confidentially.</p> <p>In order to (i) prevent passing on of information that is clearly unfounded; and (ii) to make sure that the receiver of the information is not personally involved in the matter in question, the Board of Directors shall instruct the gatekeeper to apply a criterion of materiality when determining which information is passed on, while at same time taking into account whom the information is intended for.</p>	



## About SimCorp

SimCorp offers industry-leading, integrated investment management solutions.

Our platform and ecosystem, comprising partners, services, and third-party connectivity empowers us to provide 40% of the world's top 100 financial companies with the efficiency and flexibility needed to succeed.

With over 25 offices around the world, and more than 2,200 employees, we are a truly global, collaborative team that connects every continent and industry seamlessly.

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